

U.S. Department of Veterans Affairs
Office of Acquisition and Logistics



California Supplier Relationship Management Forum
Report

Submitted by:
Ambit Group, LLC.
1895 Preston White Drive, Suite 220
Reston, VA 20191

October 04, 2010



Strategy. Execution. Results.

Ambit Group, LLC, a Service Disabled Veteran Owned Small Business, is a results-driven, strategic management consulting firm. We draw on proven methodologies and a commitment to our client's success to provide services and solutions that deliver meaningful, measurable and sustainable results.

TABLE OF CONTENTS

TABLE OF CONTENTS..... 2
Executive Summary..... 3
Key Findings..... 3
Recommendations..... 5
Shoreline A..... 6
Shoreline B..... 7
Seaview C..... 8
Healthcare..... 8
Building Construction and Manufacturing..... 9
Appendix A: Agenda..... 10
Appendix B: Attendees..... 11
Appendix C: Focus Group Protocols..... 12

Executive Summary

When: August 26, 2010

Where: Hyatt Regency, Long Beach, CA

Number of Attendees: Fifty-three representatives from forty-seven companies

Industry Breakout Groups

Pharmaceuticals

Consultants

Medical Manufacturers

Healthcare

Other

Key Findings

Suppliers are encouraged by the forums

- It is difficult to break into the VA contracting process, but the reward is great.
- It is good to know that Veterans Affairs (VA) wants direct and specific technical information.
- It is good to know that contracting is really interested in the specifics of products rather than the "marketing fluff".
- It is encouraging to see that the executive level recognizes areas that are not being done well and desires to change.
- Vendors love working with their VA customers, but see the contracting bureaucracy as an obstacle to providing needed services to veterans.
- Suppliers hope that Strategic Acquisition Center (SAC) will help with standardization and getting VA recognition of national standardization initiatives

Training and Education

- Contracting officers are not knowledgeable in all subject areas.
 - Requests for information (RFI) and request for proposal (RFP) requirements are often unclear.
 - There's a disconnect between the contract officer (CO) and the end user.
- Participants emphasized the need for Contract Officer's Technical Representative (COTR) training, standardization, and consistency.
 - VA generally does not make good use of COTRs.
 - COTRs can play an important role in evaluating vendor performance and serving as an intermediary between the vendor and the CO to ensure the contracting decisions are well aligned with end user needs.
- There is a general lack of knowledge about what should happen during a close out meeting.

Communications

- Suppliers felt a majority of the problems associated with working with the VA boiled down to a lack of communication.
- VA needs to communicate better with its suppliers through established points of contact who are willing, eager, and able to respond.
- There needs to be better coordination with the design team, Facilities folks, CO and construction SMEs, due to the impact on requirements, costs and support.
- The suppliers want “real-time” feedback on how they are performing.

Process

- Solicitations should specify needs, not prescribe solutions/products
- The idea of “Best Value” is vague and needs some definition.
- The COs use schedules that they are comfortable with, not what would presumably be the best option at times.
- Solicitations that go out to manufacturers but not distributors is problematic because manufacturers are often not able to provide the full scope of the product or service requested (turn-key solution) because they do not do installation or provide related products.
- When RFPs and RFI requirements are unclear, this can severely impact the price, fees and work timelines associated with the contract.
- Sometimes RFPs do not reflect the end user needs.
- There no explanation when an RFI/RFP is pulled from FedBizOps. When a vendor submits an RFI, they need more information about where it goes and where to get information.
- Suppliers suspect others of underbidding contracts then using modifications later to raise cost.
- Prime contractors are not always motivated to meet targets for utilizing Veteran-owned businesses.
- Qualifications for labor categories are too high and are costing the government money.
 - The personnel qualification process is needlessly complex and administered inconsistently.
- Kickoff meetings and debriefs occur more regularly for larger contract awards but rarely for smaller awards.
- The design periods are too short for the amount of work that needs to be completed.
- Often, there are no building records. There is an inconsistency with compliances and environmental regulations. Ex: Lead paint, asbestos problems.
- VA does not use the performance evaluation system consistently.
 - This feedback can serve as an important marketing tool for vendors.
 - It is often hard to know when a vendor’s review information is posted.
- Participants did not have issues associated with the delivery process, and delays related to modifications were mostly attributed to availability of funds to VA and not to VA staff.

Recommendations

Training and Education

- Ensure ongoing and comprehensive training of COs, COTRs, and other VA contracting staff.
 - Teach COs the benefits and drawbacks of all the different contracts available.
- Provide standard training to ensure consistent activity at both state and local levels.
- Continue with VA 101 for vendors.
 - New vendors would like to introduce and market themselves to VA, but need to learn more about VA to take advantage of opportunities.
 - Active vendors want to continue improving their knowledge of VA.
 - Provide basic training in Federal Acquisitions Regulations (FAR) requirements for unsolicited proposals

Communications

- VA should publish organizational information including full contact lists.
- Provide better coordination at the conceptual stage with all of the major players.
 - Ensure interaction between the design team and the facilities team.
- Clarify VA policy for communicating with vendors; especially when and how vendors should they escalate contact if they can't reach the designated contracting representative.
- Schedule a design review with the contractors and the VA for all projects.
- Ensure close-out meetings for all projects.
- Use follow-up surveys to solicit vendor feedback.
 - Navy Seaport was noted as an example to follow.

Process

- Improve the quality of the information in the RFI/RFP.
 - Clearly define environmental issues and concerns.
- Ensure adequate time for suppliers to review requirements, exchange Q&A, and prepare solicitations.
 - Adequate time will ensure more competition resulting in better value.
- VA should emphasize cost to own over cost to purchase.
- Move decision-making power closer to end users.
- Maintain focus on Veteran-Owned businesses.
 - Ensure this focus is uniform across VISNs.
 - VA should clarify the Veterans First law.
 - In Nevada, Veterans come third after Ability One and GSA contract holders.
- VA should be verifying Veteran-owned business certifications.
- Contracts should include clear substitution criteria to account for rapidly developing products.
- Streamline contract employee certification processes for high-demand time-sensitive staff.
- If certification cannot be streamlined, extend certification periods as needed.
 - CVE certification taking nine months to get a one-year certification was given as an example.

Shoreline A

Facilitator: Diana Jeffery

Recorder: Leah Krynicky

Key Themes

- Participants emphasized the need for Contract Officer's Technical Representative (COTR) training, standardization, and consistency.
- It is good to know that Veterans Affairs (VA) wants direct and specific technical information. It is good to know that contracting is really interested in the specifics of the product rather than the "marketing fluff".
- It is difficult to break into the VA contracting process, and there are nationwide challenges to working with government, but the reward is big.
- It is encouraging to see that the executive level recognizes areas that are not being done well and desires to change.
- Is there budget accountability? Is there an emphasis on getting budgets in on time? Is there visibility into the budgeting process?
- This conference is good for education and idea sharing. The best education does not come from books but rather from people.
- Participants hope that Strategic Acquisition Center (SAC) will help with standardization and getting VA recognition of national standardization initiatives
- Solicitations should specify needs, not prescribe solutions/products

Recommendations

Shoreline B

Facilitator: Pat Tallarico

Recorder: Ben Rebach

Key Themes

- Opportunities that provide vendors with information on an opportunity prior to an RFP (e.g., through bidders conferences or RFIs) is helpful for both VA and for the vendor. However, vendors can feel penalized if they respond to detailed RFIs and then VA cancels the solicitation.
- Sometimes RFPs do not reflect the end user needs.
- eBuy solicitations that go out to manufacturers (71-1) but not distributors is problematic because manufacturers are often not able to provide the full scope of the product or service requested (turn-key solution) because they do not do installation or provide related products.
- Design/build contracts are more expensive for VA, and prime contractors are not always motivated to meet targets for utilizing Veteran-owned businesses.
- VA generally does not make good use of COTRs, unlike some other federal agencies. These individuals can play an important role in evaluating vendor performance and serving as an intermediary between the vendor and the CO to ensure the contracting decisions are well aligned with end user needs.
- Kickoff meetings and debriefs occur more regularly for larger contract awards but rarely for smaller awards.
- VA does not use performance the performance evaluation system consistently and it is often hard to know when a vendor's review information is posted so that they can have an opportunity to respond. This feedback can serve as an important marketing tool for vendors.
- Participants did not have issues associated with the delivery process, and delays related to modifications were mostly attributed to availability of funds to VA and not to VA staff.

Recommendations

- Clarify VA policy for communicating with vendors; especially when and how vendors should they escalate contact if they can't reach the designated contracting representative.
- There should be parity in how VA handles socioeconomic requirements. VA generally does a good job advocating for use of veteran-owned firms, but it is not uniform across VISNs. Participants identified a particular problem with this in the San Diego VISN.
- Sustainability, not cost, needs to be the driving force in the purchasing requirements for some products. VA should emphasize cost to own over cost to purchase.
- VA should clarify the status of veterans under the Veterans First law, especially how it is being interpreted in southern Nevada. Their interpretation puts Veterans third after Ability One and GSA contract holders.
- VA should be verifying Veteran-owned business certifications.
- If a contract includes references to specific products, they should include clear substitution criteria as technology and products can progress during the course of a contract or even an RFP – Specifications from a decade ago will be difficult and pointless to meet.

Seaview C

Facilitator: Kim Hayes-Shackleford

Recorder: Dan Palcic

Key Themes

- Contracting officers are not knowledgeable in all subject areas (requirements are not very clear) and try to rush contracts through the process to get them out of their hands. There's a disconnect between the CO and the end user.
- Why is there no explanation about an RFI/RFP being pulled from FedBizOps? When a vendor submits an RFI, they need more information about where it goes and where to get information.
- Qualifications for labor categories are too high and are costing the government money.
- VA has been pretty good with debriefs and vendors learn a lot from it.

Recommendations

- Improve the quality of the information in the RFI/RFP.
- The more competition there is, the better chance VA will find the best value, but in order to get more competition, there must be enough time to review requirements, exchange Q&A, and prepare a solicitation.
- VA 101. New vendors would like to introduce and market themselves to VA, but need to learn more about VA to take advantage of opportunities.
- Ensure a national standard and process of how VA does business is followed at state and local levels.

Healthcare

Facilitator: Paul Cooper

Recorder: Megan Dunn

Key Themes

- VA needs to communicate better with its suppliers through established points of contact who are willing, eager, and able to respond.
- Vendors love working with their VA customers, but see the contracting bureaucracy as an obstacle to providing needed services to veterans.
- The personnel qualification process is needlessly complex, and is administered inconsistently.
- The suppliers want "real-time" feedback on how they are performing.

Recommendations

- VA should see suppliers as allies and partners, not adversaries.
- Contract employees should be certified quickly in every VISN so they can provide needed service.
- Power for decision-making should shift from COs to department managers and caregivers.

Building Construction and Manufacturing

Facilitator: Doug Black

Recorder: Jennifer Rhea

Key Themes

- When RFPs and RFI requirements are unclear, this can severely impact the price, fees and work timelines associated with the contract.
- The COs use schedules that they are comfortable with, not what would presumably be the best option at times.
- The design periods are too short for the amount of work that needs to be completed.
- The idea of "Best Value" is vague and needs some definition.
- There needs to be better coordination with the design team, Facilities folks, CO and construction SMEs, due to the impact on requirements, costs and support.
- The VA is normally open to Contract Modifications. There will be some negotiating necessary, but overall the process is relatively painless.
- Often, there are no building records. There is an inconsistency with compliances and environmental regulations. Ex: Lead paint, asbestos problems.
- There is a general lack of knowledge about what should happen during a Close Out meeting.
- The majority of the problems associated with working with the VA boils down to a lack of communication.

Recommendations

- For the VA to really be able to take advantage of all the different contracts available, it really works to their benefit to train their COs.
- VA should do follow up surveys about how it was to work with them. The individual feedback could make the process more efficient in the future. [Navy Seaport does this]
- The VA needs to expedite the process of granting security clearance and badges to their suppliers to save on time and costs.
- CVE takes about 9 months to get certified due to the outsourcing of it. The certification period of 1 year is too short.
- There should be a formal discussion at closeout for all projects, especially for those that extend for more than a year.
- There needs to be some definition in the Specs about environmental issues and concerns.
- The VA should not always accept the lowest bidder on a given project due to the modifications that result from this. There is a concern that low bidders do this intentionally.
- There should be a design review with the contractors and the VA for all projects. This is an opportunity where everyone can meet face to face and have their questions answered.
- The VA should use the Navy Seaport as an example on how to conduct business.
- There should be better coordination at the conceptual stage with all of the major players. The design team is too far distanced from the facilities team. It is imperative to have more discussion and coordination early on in the working relationship.

Appendix A: Agenda

Time	Session
8:30 AM – 9:00 AM	Registration and Informal Interaction – Morning Beverages
9:00 AM – 9:30 AM	Opening Remarks in General Session Room
9:30 AM – 12:00 PM	Supplier Focus in Assigned Break Out Rooms Acquisition business processes <ul style="list-style-type: none"> ▪ RFI / RFP ▪ Bids / Proposals ▪ Award and Kickoff ▪ Delivery ▪ Contract Modifications ▪ Closeout
12:00 PM – 1:30 PM	Lunch
1:30 PM – 1:45 PM	Afternoon Opening Remarks in General Session Room
1:45PM – 3:15 PM	Coffee & Cookies Available Outside of General Session Room
2:00 PM – 3:00 PM	Supplier Focus Sessions in Assigned Break Out Rooms <ul style="list-style-type: none"> ▪ Themes (not all inclusive) <ul style="list-style-type: none"> ▪ Contract type (FFP, T&M, CP, etc.) ▪ Challenges with unclear requirements ▪ COTR concerns
3:00 PM – 3:15 PM	Break
3:15 PM – 4:00 PM	OAL Leadership Question & Answer Session with Audience
4:00 PM – 4:30 PM	Closing Remarks and Next Steps in General Session
4:30 PM – 5:30 PM	Informal Interaction and Mixing - Cash Bar

Appendix B: Attendees

First Name	Last Name	Organization or Agency
Abedin	Zainul	Enviornmental Engineering, Inc.
Agostini	Anthony	Agostini Healthcare Staffing
Andruess	Terry	Mobile Interim Solutions
Armstrong	Ted	Pleasant Valley Business Solutions
Bardsley	Jody	Modular Systems Network, Inc.
Brown	Alan	BSE Engineering
Cardona	Phillip	Emerald Health Services
Caruana	Edward	c a ARCHITECTS
Cespedes	Jon	IECLT, INC
Clark	Linda	Langford & Carmichael, Inc.
Claus	Jodi	The St. John Companies
De Los Rios	Livia	Allied Medical Supply, Inc.
Denton	Dan	RehabAbilities, Inc.
Dewey	Meghan	EMCOR Energy Services
Dickey	David	Alpha Ten Technologies, Inc.
Duda	Traci	HRN Services
Eskew	Patrick	AB Staffing
Evans	Cecelia	Aon Consulting
Finley	Keith	
Fisk	Lauren	Restech
Geistweidt	Lisa	C J Turner INC, DBA: Capitol City Rehabilitation Group
Gilmore	Bathsheba	Johnson Controls, Inc.
Gomrick	Dan	Client Solution Architects
Hagerty	Paul	Modular Systems Network, Inc
Hall	Tracy	Continental Flooring Company
Hansen	Amber	Optelec US, Inc.
Henderson	Debra	Allied Distribution Co., LLC
Heyn	Cathryn	Concert Architectural Interiors
Johnson	Mike	Lorimar Group, Inc
Johnson	Ron	
Kowalski	Mark	Nihon Kohden America
Krahel	Walter	Restech
Nye	Doug	AmeriCal Contractors Corp.
Obasi	Chinyere	Insite Design Group
O'Connor	Kevin	Livermore Scientific, Inc.
O'Neill	Tom	McMurray Stern
Oswald	Brent	c a ARCHITECTS
Padilla	Celia	Iron Bow Technologies
Parker	Virginia	Southeast C&I Electric Co., Inc.
Patience	Ted	Therma Quatic
Paxton	Michael	Modular Systems Network, Inc
Pond	Terri	I.T. Crisis Services Inc
Portilla	Noe	pbs engineers, inc.
Powell	Diane	Nathan Adelson Hospice

Rivera	George	ADARA Networks
Sachs	Stephen	Sachs Management
Saylor	Ben	Tandus
Shirley	Terry	TAGG Industries
Straus	Collin	McMurray Stern
Tucker	Richard	Baxter Healthcare
van den Bosch	Sarah	Human Designs P & O
Welch	William	Langford & Carmichael, Inc.
Zanow	William	Arrowpoint Corporation

Appendix C: Focus Group Protocols

Morning Session

Focus on the Acquisition business processes:

- RFI / RFP: When you look at the way VA considers bids and proposals, what would you say works and what doesn't work?
- Bids / Proposals: When you look at the way VA administers its awards and kickoffs, what would you say works and what doesn't work?
- Award and Kickoff: When you look at the way VA administers its awards and kickoffs, what would you say works and what doesn't work?
- Delivery: When you look at the way VA administers the delivery of its contracts, what would you say works and what doesn't work?
- Contract Modifications: When you look at the way VA administers its contract modifications, what would you say works and what doesn't work?
- Closeout: When you look at the way VA administers the closeout of its contracts, what would you say works and what doesn't work?

Afternoon Session

Afternoon sessions varied from planned session topics based on challenges and topics discovered in the morning session. Individual Office of Acquisition and Logistics (OAL) leaders attended some sessions relevant to their areas of expertise.

Closing remarks and OAL Leadership Question and Answer Session

OAL leadership hosted a question and answer session with all participants after the closing remarks. This discussion was in response to interest from participating suppliers, and detailed notes may be found in the *California Supplier Relationship Management Forum Detailed Breakout Session Notes*.